



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Vendor Orientation Guide



Presentation to: Department of Community Health's Contract and Grant Vendors
Presented by: Office of Vendor Management

Date: August 2015



Mission

The Georgia Department of Community Health

We will provide Georgians with access to
affordable, quality health care through
effective planning, purchasing and oversight.

We are dedicated to A Healthy Georgia.

The Office of Vendor Management

- The Department of Community Health's (DCH) Office of Vendor Management is charged with ensuring vendor compliance with contract terms.
- Each contract is assigned a **Vendor Management Professional** who partners with the contract's Business Owner to provide performance oversight.



The Office of Vendor Management

- Vendor Management works collaboratively with internal stakeholders to:
 - Ensure contract terms, deliverables and responsibilities are aligned with the business need, performance based, measurable and enforceable.
 - Mitigate the risk of performance concerns.

The Office of Vendor Management

- Promptly address performance issues to prevent adverse impact to the successful achievement of contract purpose.
- Ensure contract payments are aligned with contract specifications and vendor's progress.
- Facilitate the corrective action process which may include the assessment of liquidated damages if required by contract.



Vendor Management Structure

- Generally, Contract Business Owners have primary responsibility for vendor monitoring.
- Desk audits and Onsite visits are routinely conducted to ascertain vendor compliance.
- Contracts are monitored based on assigned risk.

Vendor Management Structure



- Risk is calculated based upon contract's: (1) Term (2) Cost and (3) Consequence of Failure.
- The intensity of monitoring is directly correlated to the level of risk (i.e., riskiest contracts receive the highest level of monitoring).

Vendor Management Structure

- Contracts are categorized into three risk levels:
 - Level 1 (Low Risk): Performance is monitored by the Business Owner; therefore invoices and performance assessments are conducted solely by the Business Owner. Performance Reports are submitted annually.

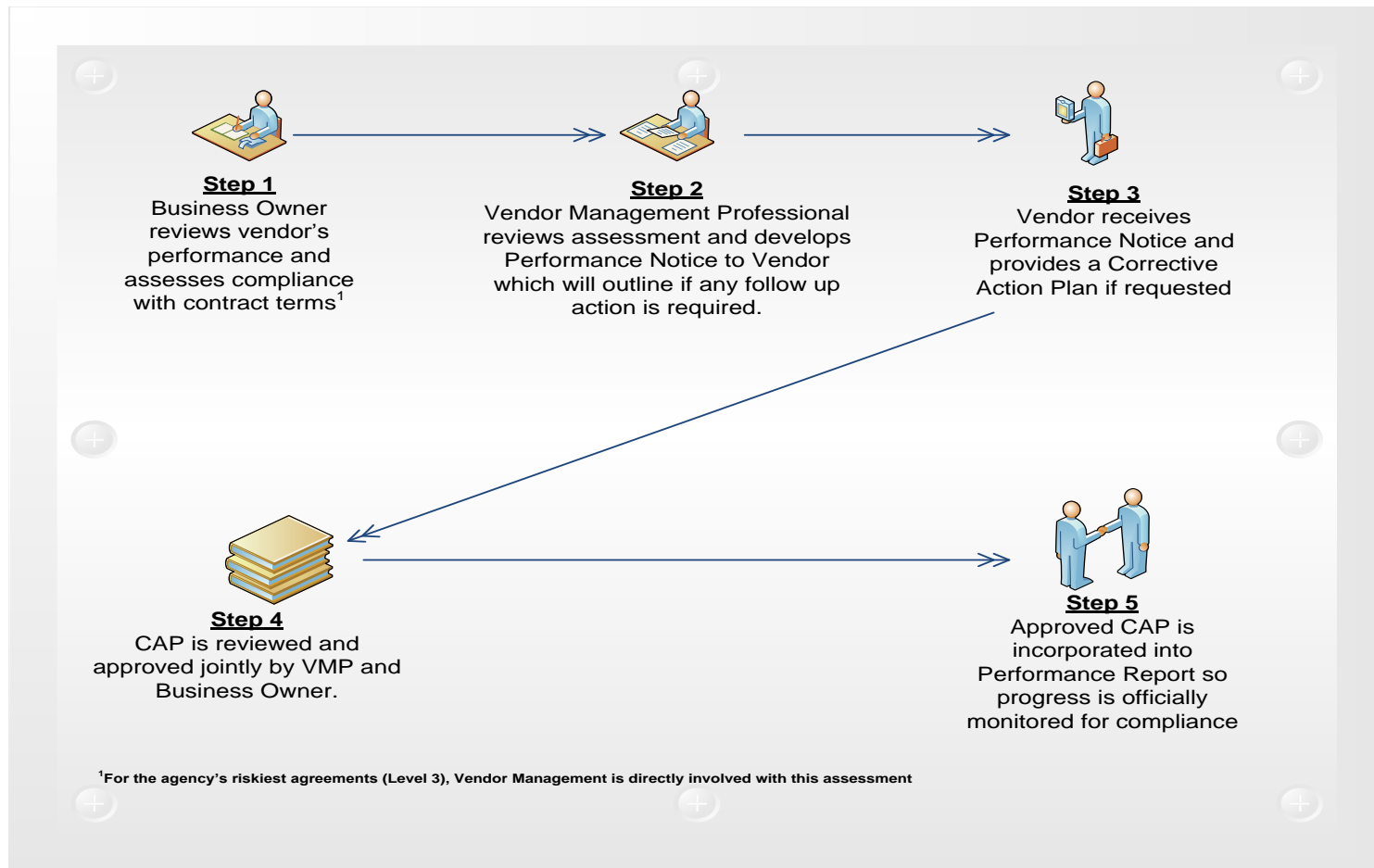
Vendor Management Structure

- Level 2 (Medium Risk): Performance is monitored by the Business Owner; therefore invoices and performance assessments are conducted solely by the Business Owner. Performance Reports are submitted twice per year.

Vendor Management Structure

- Level 3 (High Risk): Effective July 1, 2014, Vendor Management and the Business Owner began partnering to monitor Level 3 contracts.
- The VMP and Business Owner jointly:
 - Communicate and meet with Vendor
 - Monitor and assess vendor's performance
 - Review invoices for payment
 - Conduct onsite audits

Performance Report Process



Vendor Role

- DCH's vendor management strategy relies heavily on vendor participation.
- Vendors are required to:
 - Obtain a thorough understanding of the contract and its requirements.
 - Participate in meetings with DCH representatives, upon request.
 - Respond in a timely fashion to requests for follow up action, information or other type of requests.

Vendor Role

- Perform in accordance with contract responsibilities, deliverables and other terms.
- Produce invoices that are compliant with invoice terms.
- Perform work that is outlined in the contract or amendment (vendors should not perform any work outside the contract or amendment{s}).
- Understand and comply with relevant agency policies.
- Report performance matters that may impact ability to successfully meet contract objectives in a timely fashion.

DEFINITIONS

- **Business Owner-** A member of the DCH Performance Monitoring Team who, along with the Vendor Management Professional, is responsible for the monitoring of an assigned agreement.
- **Contract-** Any vendor agreement where there is a legal obligation to provide services to DCH on behalf of its members or citizens of Georgia. This includes both contract and grant agreements.
- **Internal Stakeholders-** A term used to refer to the Business Owner, Vendor Management Professional, Contract Specialist, and Procurement Specialist involved with the activities of the contract.

DEFINITIONS

- **Performance Monitoring Team-** A term used to refer to the DCH Business Owner and Vendor Management Professional responsible for the monitoring of a specific agreement.
- **Vendor-** The entity who has a contract to provide services to DCH on behalf of its members or citizens of Georgia. A vendor may be a contractor or grantee.
- **Vendor Management-** The practice of monitoring and managing assigned agreements.

Next Steps

- You may contact your Vendor Management Professional by electronic mail, telephone, or request an in-person meeting to obtain additional information about Vendor Management and its processes.
- You may submit general questions regarding the monitoring of contracts to vendormanagement@dch.ga.gov.

